

VZCZCXYZ0001
RR RUEHWEB

DE RUEHHK #0797 1200908
ZNR UUUUU ZZH
R 300908Z APR 09
FM AMCONSUL HONG KONG
TO RUCPDOG/USDOC WASHDC
INFO RUEHC/SECSTATE WASHDC 7521
RHMFIUU/HQ BICE WASHINGTON DC

UNCLAS HONG KONG 000797

USDOC FOR 532/OEA/MHAMES/MCANNER
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: TECHPRO TECHNOLOGY
HK CO LTD

REF: A) BIS e-mail request dated March 17, 2009

1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a shipment-verification (PSV) at Techpro Technology HK, Co., Ltd., 14/F World Tech Center, 95 How Ming St., Kwun Tong, Hong Kong (Techpro). The items in question for this PSV are various transistors exported to Techpro on or about May 19, 2008. On the applicable shippers export declaration (SED), these items are not classified meaning that they are likely EAR99 and eligible for shipment to virtually all destinations and end-uses/users worldwide. The exporter was Richardson Electronics of La Fox, Illinois.

13. According to the Hong Kong Companies Registry, Techpro has been in existence since 2005. Its paid up share capital is the Hong Kong equivalent of USD 1. The Hong Kong Companies Registry lists Hong Kong resident Lau, Fei Fei as director. The company does not appear to have a web presence.

14. On April 3, 2009, ECO accompanied by Commercial Assistant, Carrie Chan, visited Techpro and met with Ms. Ada Lau, the owner of the business. Ms. Lau stated that Techpro is a small electronics trading company. Techpro's buyers are typically other trading companies (90%) or factories. Ms. Lau stated that other trading companies may use her trading company because she holds some stock and because she is willing to provide financing terms that larger suppliers may not be willing to provide to smaller, less established trading companies buyers. While ECO found Ms. Lau to be credible during the in-person meeting, the business model Ms. Lau described is likely not very profitable in light of a range of online and larger resellers in the market. Ms. Lau stated that she obtains customers from referrals and repeat business from existing companies. ECO notes that the company is located in a very small office in a converted warehouse building.

15. Ms. Lau appeared familiar with Hong Kong export control rules and stated that she is prepared to abide by all applicable export/reexport regulations. By separate e-mail, ECO provided Ms. Lau with BIS reexport guidance and other BIS web resources.

16. As to the shipment in question, Ms. Lau stated that the items were sold to a company called Ristar Ltd. in Hong Kong. Ms. Lau provided an invoice and other documentation confirming receipt in Hong Kong by Techpro as subsequent resale to Ristar (at a very modest markup). Ms. Lau stated that the items were going to be used in the production of cable television broadcast equipment. She further stated that Ristar had purchased product from Techpro once before.

17. Ristar is also a Hong Kong company with Singapore passport

holder Lim, Kok Tong as director. It has only nominal share capital. When Commercial Assistant Carrie Chan attempted to call the company (a mobile phone was listed), the number was no longer in service. The fax number of Ristar corresponds to the fax number of a corporate secretarial service in Hong Kong as does Ristar's address on the applicable Techpro invoice. Attempts to reach Ristar through the company secretarial service proved to be successful. Ristar representative (in Singapore), Joyce Lim, stated that Ristar had not purchased the items from Techpro. Ms. Lim further confirmed that the purported purchase order provided by Techpro was false. Ms. Lim provided a version of a Ristar purchase order to illustrate that Ristar's standard purchase order was different than the purported Ristar purchase order provided by Techpro.

18. Based on the information noted above, ECO believes Techpro is not a suitable recipient of U.S. origin technology. ECO recommends a thorough review of past shipments to Techpro.